

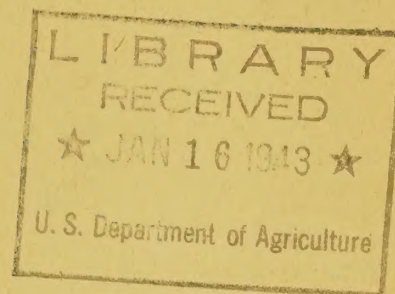
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Summary Statement  
on the  
REGULATION OF FARM WAGES



U. S. Department of Agriculture  
U. S. Farm Security Administration  
Labor Division  
November 18, 1942

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Statement of the Secretary

of the Department of Agriculture

before the Senate

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## SUMMARY STATEMENT ON THE REGULATION OF FARM WAGES

The following charts and brief explanatory statements contain some of the essential facts upon which to base a sound program of farm wage rate regulation.

Farm wages remain lower than wages in any other important branch of production. The present upward trend of farm wage rates, which still leave farm wages far below industrial wages, cannot legitimately be termed an inflationary menace.

Nevertheless, adjustment of farm wage rates is a key factor in war time mobilization of manpower. The continuing drift of labor from farms to urban industry is one of the most pressing current problems. Several times as many workers have left the farm for industrial jobs as have left to join the armed forces. This drift to industry cannot be checked without extreme duress or without increasing agricultural wages sufficiently to meet the competition of industrial jobs badly needing to be filled.

Hence, the simplest and most direct line for farm wage regulation is to bring farm wages up to parity with industrial common labor wages, making due allowance for farm perquisites and differences in rural and urban costs of living. This has already been done, under similar circumstances, in England.

Farm operations can be carried on with a smaller but more productive and better paid hired labor force if there is concerted drive by the Federal Government for improvements in farm efficiency and methods of operation. Thus, thorough-going over-all planning of farm production, as well as farm wage rate regulation, is vital to maximum farm output.

The farm wage bill has steadily dwindled during the past 20 years in comparison with the net income of farm operators. In the last few years net income of farm operators has increased much more rapidly than total wages paid,



even though wage rates have risen more than farm prices. It appears that increases in farm wage rates, which are necessary to enable farmers to retain essential labor in the face of industrial wage levels, are feasible. Even if the 1942 wage bill were increased 50 per cent the net income of farm operators would have remained the highest in history and the wage bill would have represented a smaller proportion of net farm income than the average for the period 1920-1925.

In the case of some important crops, with or without improvements in methods of production, the income of farm operators may not be sufficient to warrant payment of wages which will compete with industrial common labor rates in the same areas. In such cases direct subsidies given by the Government for the sole purpose of raising wages to competitive levels would have the proper effect on farm manpower with minimum inflationary effects.



A. RELATIVE SPREADS OF WAGE RATES, BY REGIONS

Symptomatic of extreme disorganization of the farm labor market is the great amount of spread among farm wages in different regions. As will be seen on attached chart I the highest average daily farm wage rate on October 1, 1942 (for the Pacific States) was more than three times as high as the lowest (for the East South Central States).

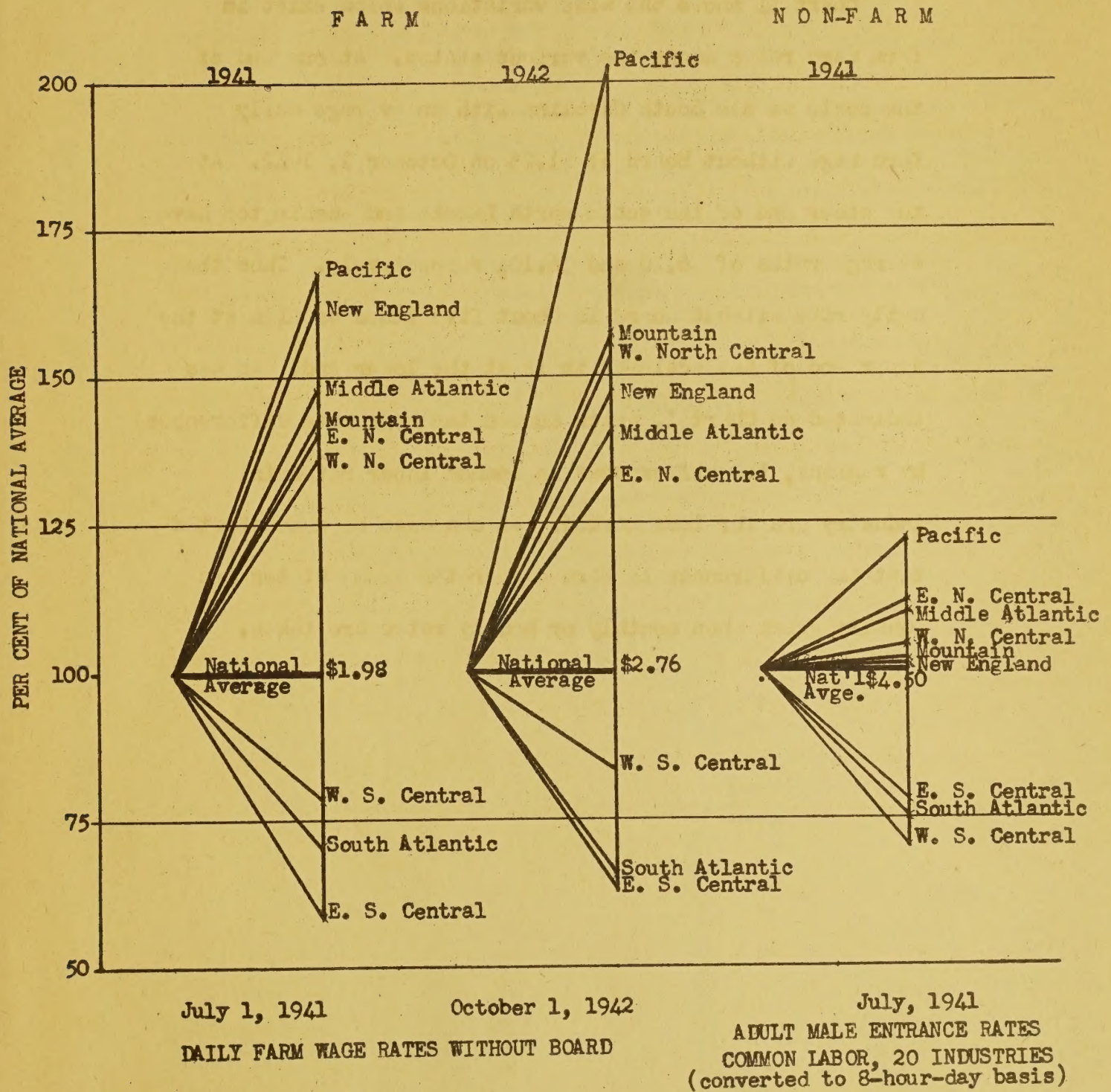
There is far less difference among regions for entrance wage rates for common labor in industry. As shown on the same chart, (I), the average rate for the highest region, again the Pacific States, was only 73 percent higher than that for the lowest region, in this case West South Central.

Furthermore, as also shown on chart I, the spread of farm wages among regions has grown larger in recent months. In fact, it has grown quite steadily throughout the past 20 years.

Essentially, the spread of farm wages among regions is the simplest demonstration of the faulty distribution of the nation's farm labor force with shortages menacing some areas and surpluses of labor remaining in other areas. This point is reinforced by the fact that the wage differences are not explained by differences among regions in cost of production or market prices of products.



CHART I  
RELATIVE SPREADS OF FARM AND NON-FARM WAGE RATES, BY REGION  
1941 and 1942





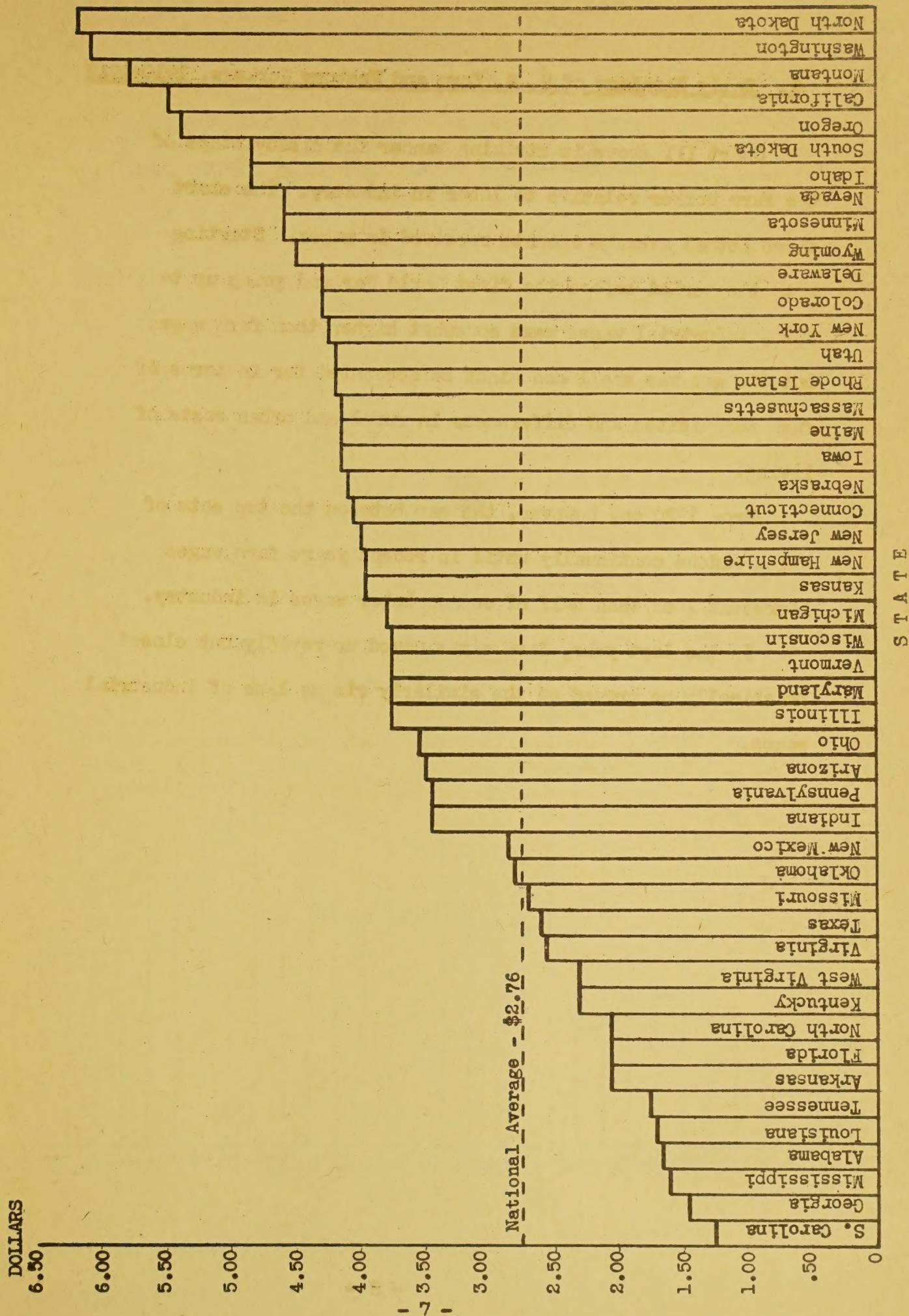
B. SPREAD OF FARM WAGE RATES, BY STATES

Chart II shows the wide variations which exist in farm wage rates among the various states. At one end of the scale we see South Carolina with an average daily farm wage without board of \$1.25 on October 1, 1942. At the other end of the scale North Dakota and Washington have average rates of \$6.20 and \$6.10, respectively. Thus the daily rate without board is about five times as high at the upper end of the scale as it is at the lower end. As was indicated on Chart I, which showed the wage rate differences by regions, the differences in common labor rates in industry are far less marked. It can also be demonstrated that the differences in farm wage rates among states are equally great when monthly or hourly rates are taken.



CHART II

DAILY FARM WAGE RATES WITHOUT BOARD, BY STATES, OCTOBER 1, 1942



Source: BAE



C. Daily Earnings of U. S. Farm and Factory Workers, 1910-1942

Chart III shows in striking manner the disadvantage of the farm worker relative to labor in industry. The chart shows actual average amounts received in wages. Starting with the period before the first World War and going up to 1920, industrial wages were somewhat higher than farm wages but the gap was small and might be accounted for in terms of farm perquisites and differences in rural and urban costs of living.

From 1920 on, however, the gap between the two sets of wages widens continually until in recent years farm wages represent less than half of common labor wages in industry.

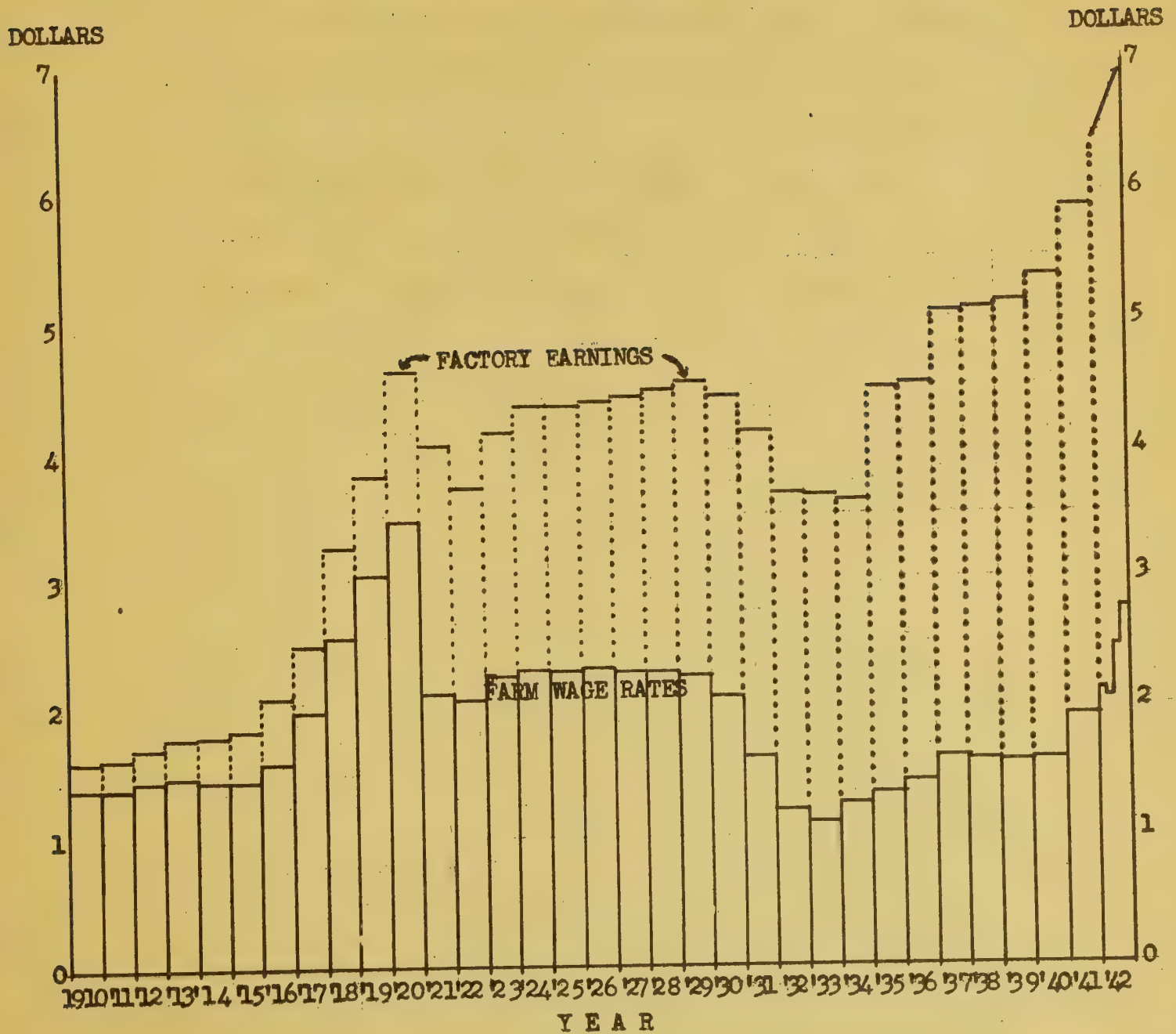
In the last year, farm wages moved up rapidly but closed practically no ground on the similarly rising line of industrial wages.



# CHART III

## AVERAGE DAILY FARM WAGE RATES WITHOUT BOARD AND AVERAGE DAILY EARNINGS OF FACTORY WORKERS\*

1910 to 1942



\*Hourly earnings converted to 8-hour-day basis.

Sources: BAE and BLS.



Chart IV, which is based on Chart III, shows clearly that farm wage rates have failed to keep pace with wages paid to common labor in industry. It shows a pronounced downward trend since 1910 in the rates of farm wages to industrial wages. It is estimated that farm workers were 60 percent worse off in 1942 relative to industrial workers, than in 1910.

Table 4, page 28, shows the large discrepancy which exists between rates of pay for work on some vital agricultural products and entrance rates for common industrial labor in the same states.

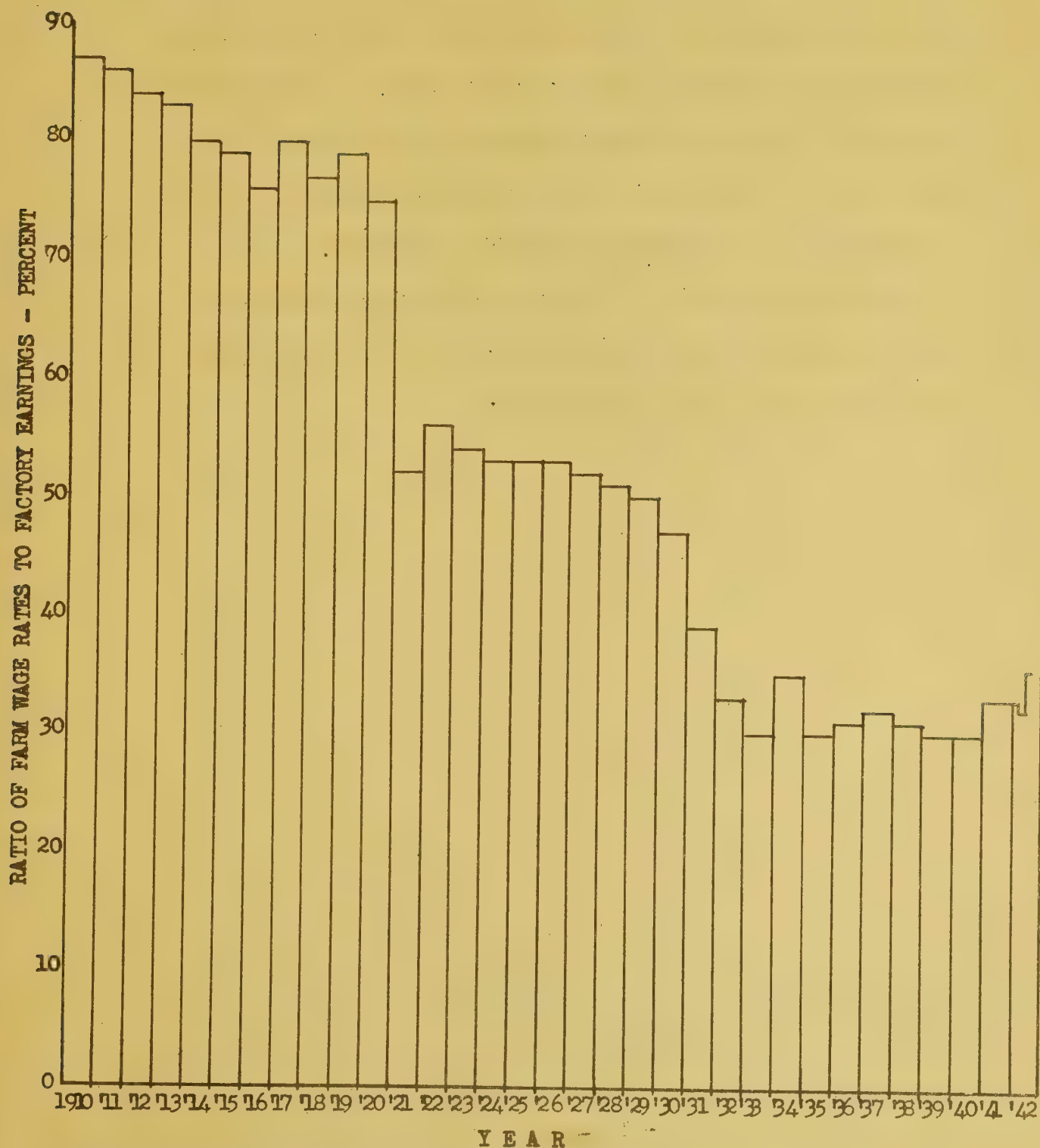


# CHART IV

RATIO OF AVERAGE DAILY FARM WAGE RATES WITHOUT BOARD

TO AVERAGE DAILY EARNING OF FACTORY WORKERS\*

1910 to 1942



\*Hourly earnings converted to 8-hour-day basis.

Source: BAE and BLS

D. RELATIONSHIP OF THE FARM WAGE BILL TO GROSS FARM INCOME, 1920-1942

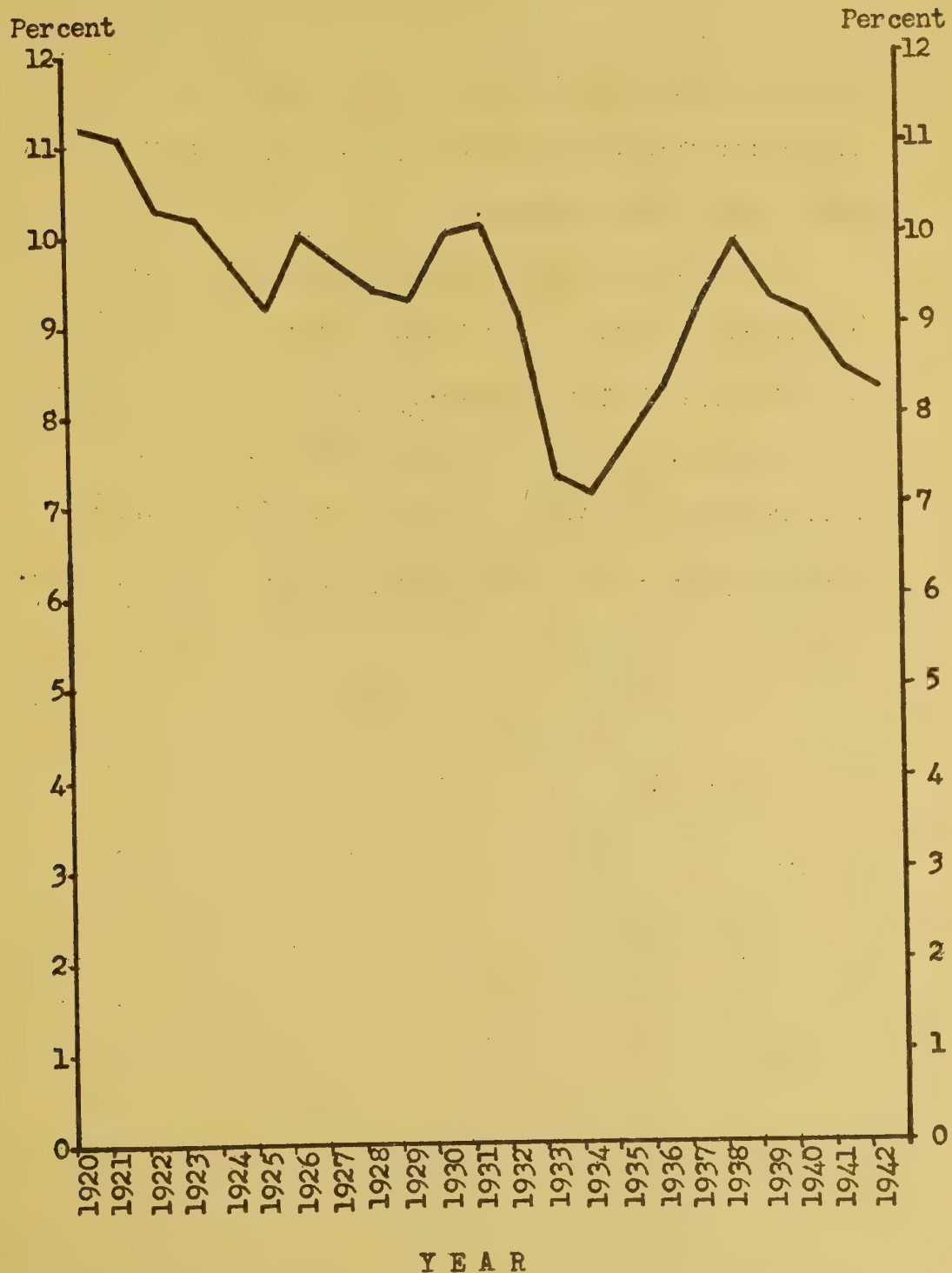
Chart V shows the relationship between the total outlay for farm wages and farm income. Since 1920, the farm wage bill has become a steadily smaller proportion of the gross farm income of farm operators. For each year since 1938 the share of farm wages in gross farm income has gone down.

In 1920 and 1921, the farm wage bill represented more than 11 percent of gross farm income. Since 1940 it has dropped below 9 percent of gross farm income.



CHART V  
PERCENTAGE OF GROSS FARM INCOME  
REPRESENTED BY FARM WAGE BILL

1920 to 1942



Source: BAE

E. RELATIONSHIP OF THE FARM WAGE BILL TO  
NET INCOME OF FARM OPERATORS, 1920-42

Chart VI shows the relationship between the total outlay for farm wages and the net income of farm operators in the United States.

From 1920 through 1924 total farm wages were consistently equal to more than 25 percent of the net income to farm operators.

In 1942, according to BAE estimates, farm wages will represent about 15 percent of the net income of farm operators. The trend still appears to be downward.



CHART VI

PERCENTAGE OF NET INCOME OF FARM OPERATORS  
REPRESENTED BY FARM WAGE BILL

1920 to 1942



Source: BAE



F. RELATIVE INCREASES IN AVERAGE FARM WAGE RATES AND IN  
TOTAL FARM MARKETINGS, BY REGIONS, 1941 to 1942

Chart VI shows that increases in farm wage rates between mid-1941 and mid-1942 in every region lagged far behind the increases in farm employers' gross cash income as reflected by the total farm marketings from January to July, inclusive.

The wage rate increases are based on the average daily farm wages without board reported by the Bureau of Agricultural Economics in its Farm Labor Report.

The lag of farm wage increases behind farm marketing increases can be stated this way: (a) in every region but one (North-Atlantic States) marketings ran more than 40 percent over last year; (b) in only one sub-region (Pacific States) did farm wage rates run more than 25 percent over last year; (c) in no region did the gain in farm wage rates equal the gain in marketings; and (d) even the closest approach--that of the Pacific States' as compared with the Western States region of which they form a part, the wage rate increase of 37 percent is still 5 percent behind the 43 percent marketing increase.

For the nation as a whole, between 1941 and 1942, the increase in farm wage rates is 24 percent--19 points below the 43 percent increase in marketings.

In part the bumper crop of 1942 accounts for the sharply increased farm marketings all over the country, but even were adjustment to be made to average yields of earlier periods, the rises in wage rates would still lag significantly behind the increased cash returns represented by the larger marketings.

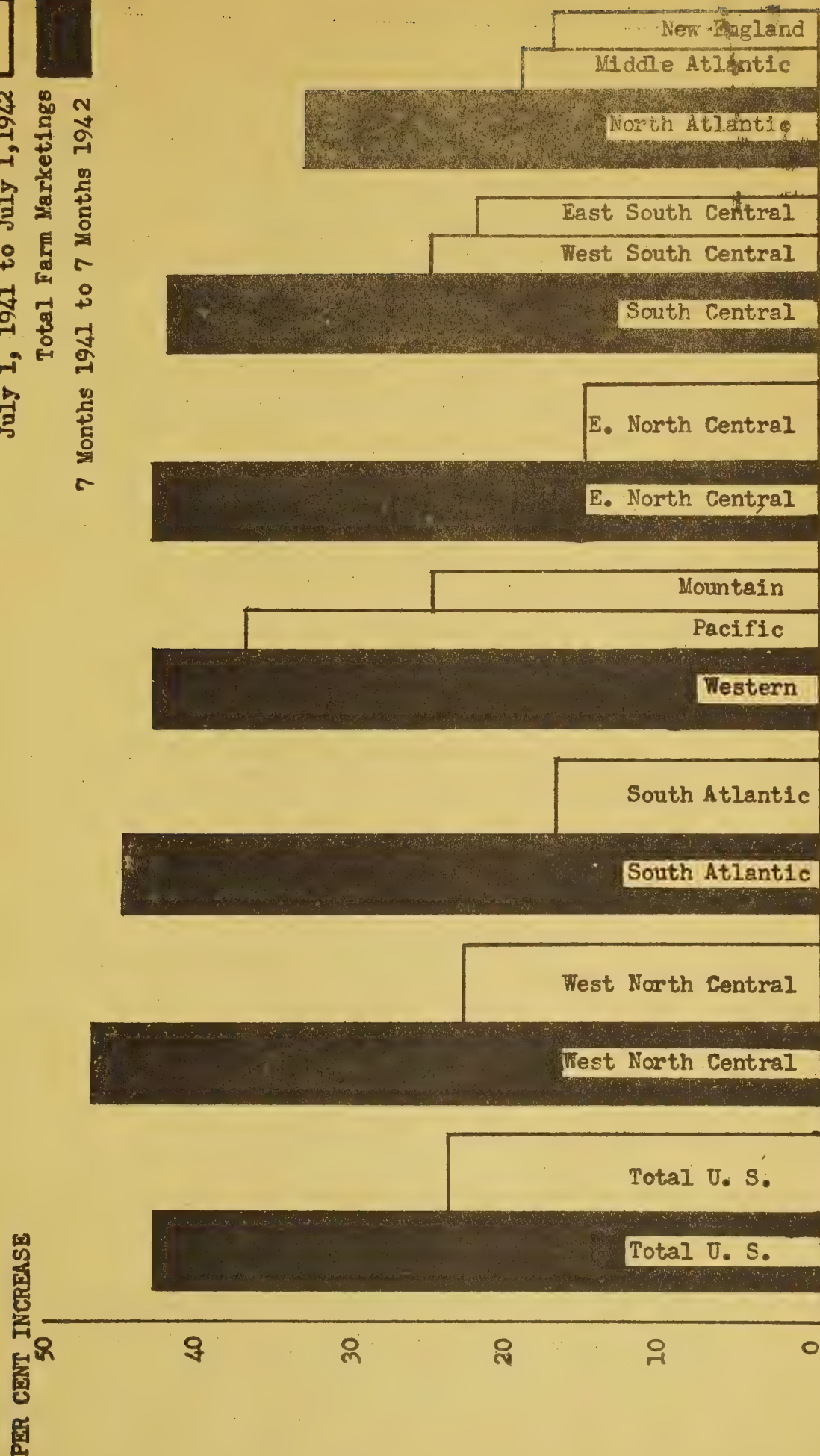


# CHART VII

PERCENTAGE INCREASES IN AVERAGE DAILY FARM WAGE RATES WITHOUT BOARD  
AND IN TOTAL FARM MARKETINGS, BY REGION

1941 to 1942

Farm Wage Rates  
July 1, 1941 to July 1, 1942  
Total Farm Marketings  
7 Months 1941 to 7 Months 1942



REGION

Source: BAE

## II. ALTERNATE METHODS OF FORMULAE FOR REGULATING FARM WAGES

- A. Constant ratio of farm wage rates to farm prices.
  - 1. Farm wage rates today would be raised to the point where they would bear the same ratio to current farm prices as existed in some selected period in the past.
  - 2. This method is undesirable in that it gives no allowance for changes in productivity and would not overcome the differential between farm and industrial wages.
- B. Constant ratio of farm wage rates to farm income. The base here is a somewhat better measure of agriculture's ability to pay wages but otherwise the criticisms of method A apply here also.
- C. "Little Steel Formula" - upward adjustment of farm wages for a rise in cost of living during a given period.
  - 1. This is the formula adopted by the War Labor Board for the adjustment of Industrial wages; generally speaking, allowing a 15 per cent increase in wages to cover increased cost of living since the beginning of 1941.
  - 2. The War Labor Board has not attempted to apply this formula in all cases and has specifically stated that the formula was not applicable to sub-standard wages.
  - 3. The formula is clearly not applicable to farm wages which are the best example of sub-standard wages. Farm wages have already risen more than 15 percent allowable for rise in cost of living but started from so low a point that they are still below any decent standard and inadequate to adjust manpower problems.
- D. Wages based on minimum standards of living.
  - 1. Farm wages would be based on minima necessary to maintain health and morale and American standards of living.
  - 2. However desirable socially, this type of wage determination would bear no particular or measured relation to other factors of production, a point of major importance in time of war.
- E. A "Fair" Wage.
  - 1. A bill recently introduced by Senators LaFollette and Thomas called for setting of "fair" wages for agriculture by representative farm wage boards.
  - 2. This method is somewhat ambiguous in that it specifies no particular method for wage regulation but in effect throws the problem into the laps of the wage boards.



#### F. Farm Wages based on Industrial Wages.

1. As a parity concept, farm wages could be raised to a point where their ratio to industrial common labor wages today would be the same as the ratio between the two sets of wages in some base period--say, 1920 or even the so-called normal period of farm-industry relationships, 1910-14; in point of fact there would be little difference between these two base periods and either would materially raise farm wages if the earlier ratio was to be restored. It should be noted that this has already been accomplished for farm prices.
2. Farm wages could simply be set, area by area, at points equivalent to industrial wages in the given area, allowance made for farm prerequisites and differences in urban and rural costs of living.
3. Either of these approaches would constitute the best head-on means of coming to grips with the problem of the steady drift of manpower from farms to urban industry.

### III. THE BRITISH FARM LABOR PROGRAM

In Great Britain, prior to the outbreak of war in September 1939, there was a continuous movement of workers from the farms to the factories, land was constantly being withdrawn from cultivation, and inefficiency in farm production was the concern of no one. For nearly a year after September 1939 the higher wages in industry continued to attract farm workers, and on an even greater scale. It was not until 1940 that it was fully realized that production of food and fibre could only be increased by bringing millions of acres of land back to cultivation, by increasing the efficiency of the farms and by cessation of the movement of workers away from the farms.

The manpower problem of British agriculture was met by increasing the wages of farm workers so that they would be comparable to wages in industry. The agricultural wages act (which provided for the establishment of minimum wages within each county by county wage boards representing employers, employees and the public) was amended to provide that the national board be given power to establish a national minimum wage. Immediately after the amendment was passed in late 1940 the national minimum wage for adult male farm workers was set at 48 shillings a week. One year later it was raised to 60 shillings a week, the equivalent of wages paid to unskilled and some semi-skilled workers in industry, and about 66 per cent higher than the average wage in 1939. With the wide gap between farm wages and industrial wages eliminated, a series of orders were issued which made it exceedingly difficult for farm workers to switch to industrial work. It should be noted further that the national minimum wage applied to year-round adult male workers, representing a substantial majority of all workers engaged in agriculture.



To increase the efficiency of methods of farm production, the county war agricultural executive committees were authorized to study all the farms in their areas to determine the efficiency of each farm. Those farmers whose methods of production were found to be inefficient were given advice and guidance by competent farm management specialists. If the farmers of the inefficient farms refused to accept this advice and guidance, the committees were given the power to take over and manage the farms for the owners.

The county committees have fulfilled their function in this respect. The Minister of Agriculture reported that between September 1939 and June 1942 the tenancies of 1,881 farms in England and Wales were terminated and the committees took possession of 4,373 farms when, according to the Minister, "the existing occupier was unwilling or unable to farm the land in a proper manner at a time of national emergency which demands the maximum possible production."

In addition, certain measures were passed for the purpose of maximizing farm production by full utilization of machinery and the prevention or control of cattle diseases. New farm equipment was assigned to the county committees for allocation among the farmers in the county so as to obtain maximum use of the machinery. The committees supervised the use of machinery owned by the farmers themselves so that there was little waste. The committees were also put in charge of the distribution of spare parts. In return for periodic visits by a veterinarian the farmers agree to follow his advice for the control of cattle diseases. Some treatments are provided free and others are given at a nominal fee.

IV. "FREEZING" OF FARM LABOR IN GERMANY AFTER 1933

October 20, 1942

To: Conrad Tacuber, Acting Head  
Division of Farm Population and Rural Welfare  
United States Department of Agriculture  
Washington, D. C.

From: Rudolf Heberle  
Department of Sociology  
Louisiana State University  
Baton Rouge, Louisiana

The Nazi policy concerning agricultural labor consisted not merely of a simple "freezing" of agricultural jobs. It was part of a larger program for recovery. The "Gesetz zur Regelung des Arbeitseinsatzes" of May 15, 1934, together with the "Anordnung uber die Verteilung von Arbeitskräften" of May 17, 1934, and the "Anordnung" of August 28, 1934, restricted the movement of farm workers into industrial occupations in four ways:

1. For certain metropolitan areas with exceedingly high rates of unemployment, special decrees could be issued prohibiting persons hitherto not resident in the area to accept a job there, unless especially permitted by the employment office. This was done in Berlin, Hamburg and Bremen.
2. Employers in certain industries and services were prohibited from employing various categories of agricultural workers without permission by the Employment Office.
3. Workers holding industrial jobs who within the last three years had been employed in agriculture were to be discharged and reemployed in agricultural jobs.
4. Industrial jobs held by young workers (below 25 years of age) were to be given up in favor of older married unemployed workers - the displaced young workers to be employed in agricultural work.

Through these measures, re-employment of experienced unemployed in industry was to be achieved and at the same time a shortage of agricultural labor which would have resulted from recovery and the expected defense boom was to be avoided.

Furthermore, wages for industrial workers were "frozen", generally on the level of 1933, while the wage rates for agricultural workers were adjusted, at least in some regions where they had been notoriously low. Other measures aiming at a levelling of the difference between the real wages of agricultural and industrial workers were: The encouragement (moral and



financial) of agricultural employers to provide improved housing conditions for workers, the institution of regular training courses for farm laborers (by which measure the status of farm hand would be raised to that of a skilled worker), and participation of agricultural workers in the Labor Front's recreational program.

It should also be remembered that agricultural workers had already before the Nazi regime been covered by the Social Security system which provided for sickness, accident and old age benefits, plus unemployment compensation.

Clearly, the policy of redistribution of the labor force, while causing considerable hardship for the experienced agricultural worker who wanted to change his occupation by restraining him from the free choice of an industrial job, contained certain features which tended to level out the differentials in real income of the agricultural and the industrial worker.

The enforcement of these measures was facilitated by the existence since 1919 of a well organized state employment service, the experienced personnel of which had been retained to a large extent by the Nazi government. No employer could hire a new worker without notifying the employment office. On the agricultural end, the organizations of the Reichsnährstand and of the Labor Front were certainly in the position to lend aid in the control of the movements of agricultural workers. In addition to the system of police registration of persons changing residence, the "labor passes" (Arbeitspasse) which were issued in 1937 to every wage earner furnished another device of control.

Little is known about the success of the "freezing" policy. Obviously, even if it did not achieve its purposes, public discussion of such failure would not have been possible. In the first two or three years of the Nazi regime migration to three large cities was successfully curtailed by special restrictions (Berlin, Hamburg-Altona, Bremen). These curtailments of internal migration resulted in at least one case (Hamburg-Altona) in net yearly losses by migration during the first phase of recovery -- a very anomalous phenomenon. However, migration from rural areas to these cities was by no means entirely stopped. Furthermore, certain neighboring cities were said to have received a surplus of rural migrants, many of whom had not found employment.

The "freezing" measures of 1934 had scarcely been enacted when critical objections were raised. It was pointed out, e.g., that in certain small farm regions with dense population and close interrelation of the agricultural and industrial labor force, no distinct line of demarcation between agricultural laborers and industrial workers could be drawn without gravely impairing the earning capacity of small farmer families who depended on industrial employment, temporarily or permanently, of some of their members. 1/

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1/ See: L. Neundorfer, "Die Gesundung der Wirtschaftsstruktur und die Arbeitseinsatzregelung," Soz. Praxis, Nov. 1934. See also: W. Bohnstedt, "Zentrale Lenkung des Arbeitseinsatzes," Soz. Praxis, Nov. 14, 1935, p. 1319 ff.

In later years, when the armament program and the enlargement of the army absorbed a large proportion of industrial manpower, well informed observers began to become worried about the exodus of rural workers from certain regions in the East to the industrial areas in Central Germany. That a shortage of farm labor existed, at least in some regions, was obvious from the efforts to replace harvest workers by urban high school and college youth. Another indication that a serious situation existed is the fact that in the spring of 1938, regional studies of the rural exodus were planned by the Reichsarbeitsgemeinschaft für Raumerforschung in collaboration with some of the Universities. The purpose of these studies was to find ways and means to reduce rural-urban migration.

The extent to which the freezing policy proved to be a failure cannot be ascertained accurately. The general impression of competent observers during the years 1937-38 was that it had failed, primarily because of the pressing labor demand of the war industries. Administrative difficulties arose probably through the refusal of very young workers to let themselves be "trapped" as agricultural workers by assuming regular farm wage work. The principle "once a farm worker, always a farm worker" would, of course, constitute an incentive for young prospective workers to seek their first job in an industrial occupation. How frequent this practice has been, we do not know. (One case came to the attention of this writer, where a boy of 16 or 17 years of age, who had been reared in a farming community, had difficulty in obtaining an apprenticeship as a carpenter because he was labelled "farm worker" on his Social Security card. He succeeded after he had proved to the vocational guidance man in the employment office that his knowledge of agricultural work was extremely limited.)

Preventing workers from moving to the most attractive job should be considered as an infraction on personal liberty of such degree that it could only be justified in a very serious emergency, and when attempted it should be done in such ways as to reduce to a minimum discrimination and unintentional hardships. Inefficiency in the administration of a policy of freezing agricultural labor would put a premium on dishonest, selfish behavior and would penalize those who for patriotic reasons are willing to comply with the law. The main prerequisite for an efficient policy of freezing would be a system of compulsory clearing of all hiring and firing of workers (including domestic servants) through the local employment offices. Furthermore, incentives should be offered to young agricultural workers to stay in their occupation even if the agricultural money wage level was lower than the industrial--in other words: diminution or reduction of the differences between real wages in agriculture and industry would be desirable. Third, a system of registration of changes of residence would probably be indispensable as a controlling device. Finally, before such restrictions be imposed on any class of the population, a thorough "combing" of the adult population not in the labor force for persons employable in agricultural or industrial work or other services would be advisable in order to relieve, directly or indirectly, the labor shortage in agriculture.



TABLE 1 -- RELATIVE SPREADS OF FARM AND NON-FARM WAGE RATES BY REGIONS.

REGION	ACTUAL RATES -- DOLLARS			INDEX NUMBERS -- NATIONAL AVERAGE = 100			
	DAILY FARM WAGE RATES		HOURLY ENTRANCE RATES 1/ : FOR COMMON LABOR 2/	DAILY FARM WAGE RATES		HOURLY ENTRANCE RATES FOR COMMON LABOR	
	(WITHOUT BOARD)	1/		(WITHOUT BOARD)			
	JULY 1, 1941	OCT. 1, 1942	JULY, 1941	JULY 1, 1941	OCT. 1, 1942	JULY, 1941	JULY, 1941
UNITED STATES	\$ 1.98	\$ 2.76	\$ .564	100.0	100.0		100.0
NORTH							
NEW ENGLAND	3.22	4.06	.571	162.6	147.1		101.2
MIDDLE ATLANTIC	2.93	3.88	.622	148.0	140.6		110.3
EAST NORTH CENTRAL	2.79	3.67	.629	140.9	133.0		111.5
WEST NORTH CENTRAL	2.69	4.33	.589	135.9	156.9		104.4
SOUTH							
SOUTH ATLANTIC	1.40	1.82	.421	70.7	65.9		75.2
EAST SOUTH CENTRAL	1.16	1.75	.429	58.6	63.4		76.1
WEST SOUTH CENTRAL	1.55	2.30	.398	78.3	83.3		70.6
WEST							
MOUNTAIN	2.82	4.34	.573	142.4	157.2		101.6
PACIFIC	3.33	5.60	.689	168.2	202.9		122.2

1/ SOURCE: BAE FARM LABOR REPORT, JULY 11, 1941 AND OCTOBER 19, 1942.

2/ SOURCE: BUREAU OF LABOR STATISTICS, "MONTHLY LABOR REVIEW" FOR JANUARY, 1942, P. 154.

TABLE 2 - DAILY FARM WAGE RATES, BY STATES, OCTOBER 1, 1942

Region & State	Farm Wage Rates Per Day Without Board (1)	Region & State	Farm Wage Rates Per Day Without Board (1)
U. S. Average	2.76		
<u>New England</u>		<u>E. S. Central</u>	
Maine	4.15	Kentucky	2.30
New Hampshire	3.95	Tennessee	1.75
Vermont	3.75	Alabama	1.65
Massachusetts	4.15	Mississippi	1.60
Rhode Island	4.20		
Connecticut	4.05	<u>W. S. Central</u>	
<u>N. Atlantic</u>		Arkansas	2.90
New York	4.25	Louisiana	1.70
New Jersey	4.00	Oklahoma	2.80
Pennsylvania	3.45	Texas	2.60
<u>E. N. Central</u>		<u>Mountain</u>	
Ohio	3.55	Montana	5.80
Indiana	3.45	Idaho	4.85
Illinois	3.95	Wyoming	4.50
Michigan	3.80	Colorado	4.30
Wisconsin	3.75	New Mexico	2.85
		Arizona	3.50
<u>W. N. Central</u>		Utah	4.20
Minnesota	4.60	Nevada	4.60
Iowa	4.15	<u>Pacific</u>	
Missouri	2.70	Washington	6.10
North Dakota	6.20	Oregon	5.40
South Dakota	4.85	California	5.50
Nebraska	4.10		
Kansas	3.95		
<u>S. Atlantic</u>			
Delaware	4.30		
Maryland	3.75		
Virginia	2.55		
West Virginia	2.30		
North Carolina	2.05		
South Carolina	1.25		
Georgia	1.45		
Florida	2.05		

(1) Source: BAE Monthly Farm Labor Report, October 19, 1942.



TABLE 3.—DAILY EARNINGS OF U. S. FARM AND FACTORY WORKERS, 1910-1942

Year	Average Farm Wages Per Day Without Board 1/ (Dollars)	Average Daily Earnings of Factory Workers 2/ (Dollars)	Ratio of Farm Wages to Factory Earnings (Per cent)
1910	1.39	1.60	87
1911	1.39	1.62	86
1912	1.43	1.70	84
1913	1.46	1.77	83
1914	1.43	1.78	80
1915	1.44	1.83	79
1916	1.58	2.09	76
1917	1.98	2.49	80
1918	2.54	3.26	77
1919	3.03	3.82	79
1920	3.46	4.62	75
1921	2.12	4.05	52
1922	2.07	3.71	56
1923	2.25	4.16	54
1924	2.29	4.36	53
1925	2.29	4.35	53
1926	2.31	4.38	53
1927	2.28	4.42	52
1928	2.27	4.48	51
1929	2.25	4.53	50
1930	2.08	4.42	47
1931	1.62	4.14	39
1932	1.20	3.66	33
1933	1.11	3.64	30
1934	1.26	3.61	35
1935	1.33	4.47	30
1936	1.42	4.51	31
1937	1.61	5.07	32
1938	1.58	5.11	31
1939	1.56	5.15	30
1940	1.59	5.36	30
1941	1.93	5.89	33.1
1942			
January	2.12	6.41	33.1
February		6.42	
March		6.47	
April	2.10	6.55	32.1
May		6.65	
June		6.72	
July	2.45	6.80	36
August		6.91	
September			
October	2.76		

1/ Source: Agricultural Statistics-1941. 1942 Figures from FAE Monthly Farm Labor Reports for April 16, July 14 and October 19, 1942.

2/ Source: FAE Farm Income and Income Parity Summary, 1910-41, p. 12—based upon Bureau of Labor Statistics data. Daily Earnings were computed from hourly earnings on the basis of an 8-hour day throughout the series; 1942 estimates from BLS.

TABLE 4. COMPARISON OF ESTIMATED FARM WAGE RATES FOR IMPORTANT CROPS  
IN SEVERAL STATES WITH HOURLY ENTRANCE RATES FOR COMMON  
LABORERS, 1941

Crop	State	Average hourly farm wage rates . 1941 .	Average hourly entrance rates for common laborers . July, 1941 <sup>1/</sup>
Sugar-beets <sup>2/</sup>	Ohio	\$ .45	\$ .645
	Michigan	.45	.621
	Nebraska	.45	.514
	Montana	.45	.644
	Idaho	.45	.664
	Wyoming	.45	.599
	Colorado	.45	.582
	Utah	.45	.544
	California	.45 <sup>2/</sup>	.659
Cotton, <sup>4/</sup> Long-staple:	Arizona	.25	.447
	New Mexico	.22	.405
	Texas	.22	.415
Milk <sup>5/</sup>	Ohio	.18	.645
	Michigan	.22	.621
	Nebraska	.17	.514
	California	.33	.659
	Wisconsin	.22	.570
	Minnesota	.21	.599
	Iowa	.20	.593
	Illinois	.20	.638
	Indiana	.18	.623
	Washington	.28	.738
	Oregon	.26	.696
	Vermont	.24	.441
	Massachusetts	.29	.574
	New York	.24	.586
	Pennsylvania	.20	.638
	Maryland	.18	.581
Beef Cattle <sup>5/</sup>	Ohio	.18	.645
	Michigan	.22	.621
	Nebraska	.17	.514
	Montana	.26	.644
	Wyoming	.25	.599
	Colorado	.21	.582
	Utah	.27	.544
	Texas	.13	.415
	Iowa	.20	.593
	Illinois	.20	.638
	Indiana	.18	.623

(Continued)



(Continued)

Crop	State	Average hourly		Average hourly	
		farm wage		entrance rates	
		rates		for common	
		1941		laborers	
				July, 1941 <sup>1/</sup>	
Hogs <sup>5/</sup>	Ohio	\$	.18	\$	.645
	Michigan		.22		.621
	Nebraska		.17		.514
	Texas		.13		.415
	Minnesota		.21		.599
	Iowa		.20		.593
	Illinois		.20		.638
	Indiana		.18		.623

<sup>1/</sup> Monthly Labor Review, January, 1942, p. 154.

<sup>2/</sup> Hourly rates for the sugar-beet harvest set by the Secretary of Agriculture under the provision of the Sugar Act of 1937. In some instances the actual rates paid may have been slightly higher.

<sup>3/</sup> The rate for Southern California was 40 cents an hour.

<sup>4/</sup> Estimated from field reports and reports of other agencies.

<sup>5/</sup> The hourly wage rates for year-round workers on dairy and livestock farms is estimated on the basis of the monthly rates, without board, on July 1, 1941, as published by the BAE, and assuming a 260-hour month. If anything, this figure is low.



TABLE 5. - PERCENTAGE OF GROSS FARM INCOME AND OF NET INCOME OF  
FARM OPERATORS REPRESENTED BY FARM WAGE BILL  
1920:to 1942

Year	Per Cent of Gross Farm Income Represented by Farm Wage Bill <u>1/</u>	Per Cent of Net Income of Farm Operators Represented by Farm Wage Bill <u>2/</u>
1920	11.2	25.0
1921	11.1	38.8
1922	10.3	27.5
1923	10.2	25.6
1924	9.7	26.0
1925	9.2	20.7
1926	10.0	23.2
1927	9.7	23.5
1928	9.4	21.7
1929	9.3	21.8
1930	10.0	26.1
1931	10.1	29.3
1932	9.1	31.2
1933	7.3	19.6
1934	7.1	19.5
1935	7.7	16.4
1936	8.3	18.7
1937	9.2	19.5
1938	9.9	23.3
1939	9.3	21.9
1940	9.1	21.4
1941	8.5	17.6
1942 <u>3/</u>	8.3	15.3

1/ Estimate of total wage bill including perquisites expressed as percentage of the estimate of total gross farm income of operators including governmental payments and imputed income.

2/ Net income of farm operators is net available to farm operators after deductions of farm expenses.

3/ Estimated by PAE.

Source: PAE Net Farm Income and Income Parity Summary, 1910-1941, pp. 4,23.



TABLE 6 - RELATIVE INCREASES IN AVERAGE FARM WAGE RATES  
AND TOTAL FARM MARKETINGS, BY REGIONS  
1941 to 1942

Region	:	Percentage Increase In Income From Farm Marketings 7 Months 1941 to 7 Months 1942	:	Percentage Increase in Average Daily Farm Wage Rates (without board) July 1, 1941 to July 1, 1942
Entire United States	:	43	:	24
West North Central	:	47	:	23
South Atlantic	:	45	:	17
Western	:	43	:	
(a) Mountain	:		:	25
(b) Pacific	:		:	37
East North Central	:	43	:	15
South Central	:	42	:	
(a) East South Central	:		:	22
(b) West South Central	:		:	25
North Atlantic	:	33	:	
(a) New England	:		:	17
(b) Middle Atlantic	:		:	19
	:		:	
	:		:	

Source: The Farm Income Situation - September, 1942, BAE



